

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry - National Co-operative Development Corporation - Sanction of an amount of Rs.86.00 lakhs comprising of Rs.68.80 lakhs as loan and Rs.17.20 lakhs as subsidy to Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District - Orders - Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 775

Dated 21-12-2009

Read the following:-

1. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No.6814/2009-K2, dated 11-06-2009.
  2. Government Lr.No.7915 /Tex.2/2009-1, dated 24 - 9 -2009.
  3. From the Managing Director, National Co-operative Development Corporation (Handloom Division), New Delhi, Letter No. NCDC 4-14/2009-Text (HLM)/159(S090115), dated 16 -10-2009.
  4. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad, letter Rc.No.6814/2009-K2, dt.6-11-2009
  5. G.O.Rt.No.4300, Finance (Exp.I&C) Department, dt.05-12-2009.
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O R D E R

In the reference 2<sup>nd</sup> read above, Government have forwarded the loan application of Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District to the National Co-operative Development Corporation, New Delhi for consideration and sanction of Margin Money assistance loan of Rs.86.00 lakhs through the National Co-operative Development Corporation, New Delhi.

2. In the reference 3<sup>rd</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed for sanction of Rs.86.00 lakhs (Rupees Eighty Six Lakhs only) comprising Rs.68.80 lakhs as loan and Rs.17.20 lakhs as subsidy (subject to availability of subsidy from Government of India) to the Government of Andhra Pradesh towards Margin Money assistance to Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District, Andhra Pradesh. The State Government shall provide NCDC's loan component assistance to the Society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by the National Co-operative Development Corporation to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and thereafter claim reimbursement from the Corporation, vide letter No. NCDC:4-14/2009-Text(HLM)/159(S090115), dated 16-10-2009.

3. The assistance of Rs.86.00 lakhs (Rupees Eighty Six Lakhs only) sanctioned is subject to the conditions that the society:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the society.

4. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the period of loan to State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan installment will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of 1<sup>st</sup> instalment of loan along with interest.

5. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the loan shall carry rate of interest prevailing at the time of release of funds. Existing effective rate of interest is 10.25% p.a. In case payment of instalment is not made on or before due date, normal rate of interest, (effective + 1%) would be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to National Co-operative Development Corporation Ir.No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/1990 -Budt, dated 24.03.2009 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilised for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 31.10.2010 by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. In the reference 4th read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the National Co-operative Development Corporation, New Delhi have conveyed their sanction for Rs.86.00 lakhs comprising Rs.68.80 lakhs as loan and Rs.17.20 lakhs as subsidy (Subject to availability of subsidy) from Govt. of India to the Government of Andhra Pradesh towards Margin Money Assistance to Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District with certain terms and conditions. The State Government shall provide the NCDC's loan component assistance to the society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by National Co-operative Development Corporation to the State Government on Reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and there after claim reimbursement from the National Co-operative Development Corporation. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has further stated that the President of the said society has requested for release of the funds to the society.

9. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Govt. for release of Rs.86.00 lakhs comprising of Rs.68.80 lakhs as loan and Rs.17.20 lakhs as subsidy to Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District towards Margin Money assistance under the scheme for the year 2009-10, as per the terms of National Co-operative Development Corporation sanction letter along with Budget Release Order.

10. After careful examination, Government have decided to sanction an amount of Rs.86.00 lakhs (Rupees Eighty Six Lakhs only) to The Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District as detailed below:-

- (a) Rs. 68.80 lakhs as loan; and
- (b) Rs.17.20 lakhs as subsidy as additional in relaxation of treasury control orders and quarterly regulations

from Budget estimates provision 2009-10 under Centrally Sponsored Scheme towards Margin Money Assistance from National Co-operative Development Corporation (N.C.D.C.), New Delhi to the State Government on reimbursement basis.

11. Accordingly Government hereby accord sanction for an amount of Rs.86.00 lakhs (Rupees Eighty Six Lakhs only) to The Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District as detailed below:-

- (a) Rs.68.80 lakhs as loan; and
- (b) Rs.17.20 lakhs as subsidy as additional in relaxation of treasury control orders and quarterly regulations

from Budget estimates provision 2009-10 under Centrally Sponsored Scheme towards Margin Money Assistance from National Co-operative Development Corporation (N.C.D.C.), New Delhi to the State Government on reimbursement basis.

12. The expenditure sanctioned above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi.

13. The expenditure of loan amount of Rs..68.80 lakhs (Rupees Sixty Eight lakhs and Eighty thousand only) shall be debited to the following Head of Account:-

- 6860 – Loans for consumer industries
- 01 – Textiles –
- MH - 101 –Margin Money to Cooperative Spinning Mills
- 10- Centrally Sponsored Schemes
- 05- Margin Money to Co-operative Spinning Mills
- 001 - Margin Money to Cooperative Spinning Mills

14. The expenditure of subsidy amount of Rs.17.20 lakhs (Rupees Seventeen lakhs and Twenty thousand only) shall be debited to the following Head of Account:-

- “2851 - Village and Small Industries
- MH.103- Handloom Industries
- G.H.10 - Centrally Sponsored Schemes
- SH(58) – Margin Money assistance to Co-operative Spinning Mills
- 310 - Grants-in-aid
- 312 - Other Grants-in-aid”

and shall be incurred in relaxation of treasury control orders and quarterly regulations.

15. The Assistant Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw the loan amount of Rs.68.80 Lakhs (Rupees Sixty Eight lakhs and Eighty thousand only) sanctioned above by way of a cheque in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad who will disburse the same to The Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District. The Director of Handlooms and Textiles and Development Commissioner for

Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad / concerned Drawing Officer is authorized to draw the subsidy amount of Rs.17.20 lakhs (Rupees Seventeen lakhs and Twenty thousand only) sanctioned above and disburse the same to The Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District by way of a cheque under the National Co-operative Development Corporation scheme as and when necessity arises for the purpose for which it is sanctioned to the concerned society. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

17. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned above from the concerned society viz., The Lingampally Handloom Weavers Co-operative Production and Sales Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District and to remit the same to the State Government Account on due dates under intimation to the National Co-operative Development Corporation, New Delhi.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.31202 /531 /Expr.I&C/09, dated 07-12 -2009 and vide Budget Release Order in G.O.Rt.No.4300, Finance (Exp.I&C) Department, dated 05-12-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.VEERABHADRAIAH  
SECRETARY TO GOVERNMENT.

To

The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad.

The Assistant Secretary to Government, Finance (DMC) Department.

The President,

The Lingampally Handloom Weavers Co-operative Production and Sales  
Society, Kadapayipalli, Lingampalli (P), Siddavatam (M), Kadapa District.

The Accountant General A.P., Hyderabad.

The Pay and Accounts Officer, Hyderabad.

The Director of Treasuries of Accounts, A.P., Hyderabad.

The Managing Director,

National Co-operative Development Corporation ( NCDC),  
4, Siri Institutional Area, Hauz Khas, New Delhi.

Copy to:

The Chief Director, National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.

The Finance (Exp.I&C)/ (BG) Department

The Special Secretary to Chief Minister.

The P.S. to Minister for Handlooms and Textiles.

The P.S. to Secretary to Government, Industries and Commerce Department.

The Industries and Commerce (L&B) Department.

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// FORWARDED BY: ORDER//

SECTION OFFICER.